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RAMSGATE PORT AND MARINA CABINET ADVISORY GROUP

Minutes of the meeting held on 24 September 2013 at 2.00 pm in the Meeting Room,
Ramsgate Town Council Offices, Harbour Parade, Ramsgate

Present: Councillor John Watkins (Chairman); Councillors Bayford, Campbell, Huxley, Gideon and Roberts

In Attendance: Councillor Poole

21. APOLOGIES FOR ABSENCE

There were no apologies for absence.

22. DECLARATIONS OF INTEREST

There were no declarations of interest.

23. MINUTES OF THE PREVIOUS MEETING

On the proposal of Councillor Campbell, seconded by Councillor Huxley, it was AGREED that the minutes of the meeting held on 31 July 2013 be approved and signed by the Chairman as a correct record.

24. RAMSGATE MARITIME PLAN

Mark Seed, Director of Operations, asked Members if they thought that the draft Maritime Plan reached the right conclusions and provided sufficient direction on the way forward.

He pointed out that the paragraph on page 20 of the draft Plan which related to the "approval process" was no longer relevant and should be deleted.

The Chairman referred to the purpose of the meeting, namely, "to consider information and proposals from the development of the Master (*Maritime*) Plan and make recommendations to Cabinet accordingly", as per the Group's Term of Reference No. 3.

It was noted that paragraph 1.2 of the report should read, "Following the presentation received on 31 July 2013 ...".

Members then considered issues relating to the draft Maritime Plan. In the discussion, views, comments and questions by Members included the following:

1. It was reported in the local press that a decision had already been taken to seek a new ferry operator. What attention, therefore, is Cabinet likely to take of the Group's views?

The Director of Operations, who confirmed that offers from prospective ferry operators were being sought, referred to the amount of work that had been done since the inception of the Group two years previously, particularly in relation to the proposed alongside quay and the extension of the East Pier breakwater.

It was assumed that, as a starting point, another operator should be brought in; otherwise other things like dredging could not be moved forward. Additionally, the commercial use of the port was identified by the Consultants, UK Port Advisers, as a key driver.

2. It looked as if things were happening already at the Harbour in terms of development, as it was understood that an outline planning application for an entertainment centre at one of the slipways had been submitted to the Planning Authority. [For details of further discussion on this, refer to point no. 15 below]

(Councillor Poole arrived at this stage)

3. As the facilities for ferry operators were at the port, it seemed sensible that offers should be invited or, at least, market interest gauged. However, how feasible was it to find traffic in the current climate?

Robert Brown, Maritime Operations Manager and Harbour Master, said that he considered this to be an opportune time to strike the market.

He referred to the new EU Directive, coming into force on 1 January 2015, which would affect all vessels in the North Sea and Baltic Emissions Control Area, making it mandatory for them to use lower sulphur fuel.

There were two solutions currently open to vessel operators:

Either

- i. Use scrubbers – these were expensive, bulky, presently not suitable for use on most vessels, and where they could be fitted, could adversely affect stability;*

Or

- ii. Switch to lighter fuel, such as marine gas oil (MGO) or liquid natural or petroleum gas, both of which were extremely expensive. It was expected that most ferry operators would go for MGO, but concerns had been made as to whether this diesel would be available in sufficient quantities in Europe when the regulation came into force.*

It was expected, therefore, that ferry companies would shift to shorter sea routes.

Dover port, which represented the shortest route from the continent, was reaching saturation. Ramsgate, the next shortest, was an attractive alternative, particularly in view of its good road infrastructure, including the tunnel link, and lorries not having to enter the M20 operation stack.

4. Was it not likely that the high fuel costs that would, inevitably, be passed onto passengers would impact on the amount of traffic and that, therefore, Dover might have spare capacity?

In response, the Director Operations said that, as a consequence of the 2015 Directive, it was possible that either the overall market would shrink or there would be a shift to alternative forms of transport.

5. Were ferry companies not already making strategic plans for 2015?

The Maritime Operations Manager and Harbour Master said that lobbying was currently taking place to have implementation moved to 2018.

6. If any companies were considering Ramsgate as an option, would they not be talking to us already?

The Maritime Operations Manager and Harbour Master said that the industry was only “waking up” to the impending regulation now.

The Director of Operations added that he would be trying to tease out the reasons preventing companies from “knocking on our door”.

7. By actively seeking an alternative operator, would not plans for other income streams be delayed? Also, did keeping facilities open and maintained at the port not represent a cost to the Council?

The Maritime Operations Manager and Harbour Master responded by pointing out that the port was still actively trading, particularly in relation to offshore windfarm activities, aggregates, concrete batching and project cargoes.

8. What about water depth?

The Maritime Operations Manager and Harbour Master stated that the depth had dropped but not by as much as had been expected.

9. In speaking under Council Procedure Rule 24.1, Councillor Poole stated reiterated the Maritime Operations Manager and Harbour Master's view that Ramsgate port was in a good market position at the present time.

10. It was somewhat surprising that the use of lethal gas, such as LNG or LPG could be justified on ships. Thames Water was reportedly banning calor gas from any vessel if it was over 10 litres in capacity. Additionally, modern cruise ships currently being built for use over the next 30 to 35 years were being designed to use heavy fuel oil.

The Maritime Operations Manager and Harbour Master pointed out that it would not be permissible for ships to burn heavy fuel oil in the North Sea and Baltic emissions Control Area, which included the English Channel to the east of Falmouth, once the Directive came into force unless the aforementioned scrubbers were employed. There were presently many new build and converted vessels, both passenger and freight, presently utilising gas as their propulsive fuel.

11. Was it right to pursue several options for the port and harbour at this time, especially if pursuing one option precluded another? Was there not a need to prioritise and to go for a set of schemes that had been appraised as viable? It seemed unwise to explore everything and then, without strategic direction, go for the first opportunity of income that came along.

The Director of Operations stated that, in his view, the projects suggested in the plan did not compete; rather they were complementary and could therefore be taken forward together.

12. The draft Maritime Plan failed to provide strategic direction based on financial analyses of suggested projects.

13. Nor did the Plan give any sense of what the implications of various scenarios would be; for example, if a different kind of operator, who managed much larger vessels, was introduced to the port, what works would be required and what impact would that have on the scope for other activities at the port?

14. (Contrary to the views expressed at paragraph numbered 11 above) We are duty bound to consider every option; to test the market for as many income strands as possible.

15. In relation to the outline planning application for an entertainment centre at one of the Harbour slipways [Paragraph no. 2 above refers], should the implications of such a development not be fully explored, particularly as the slipway in question had significant heritage value. Would local residents want such a development?

The Director of Operations stated that he would be seeking information on the application from the Planners.

He stated that his preference was to retain the two larger slipways with a stronger focus on what boat owners are looking for, for example, under-cover facilities.

The Harbour's Heritage Role

The Director of Operations also referred to the heritage role of the harbour. There were around 16 heritage features in the harbour area, including the two larger slipways and the Sailor's Church. The Heritage Lottery Fund had shown a considerable amount of interest in maintaining and improving those features. Potentially, the heritage role could significantly enhance the tourist attraction of the area.

16. Should the possibility of accommodating super yachts be explored?

The Maritime Operations Manager and Harbour Master pointed out that, on many occasions, ships that were 60 metres in length had been brought into the Harbour. He said that the introduction of super-yachts was a good idea and that the potential and profitability would be explored. The proposed extension to the East breakwater pier could allow for additional area to be created as appropriate location for mooring of the yachts.

17. Like the Mayor of Ramsgate who had expressed her views at the previous meeting, would local residents be averse to the creation of a "noisy industrial area" on their door step?

18. It made sense to split responsibility for the port and harbour as they were defined profit centres, and yet, at the same time, take account of the synergy that existed between the two.

19. (In contrast to the view expressed at paragraph numbered 18) How does profitability work out between the Port and Harbour? If there was no port, would we be any better or worse off? Such questions had not been addressed in the draft Plan.

Governance of the Port and Harbour

20. The governance model as set out in the Maritime Plan should be recommended to Cabinet.

21. (A contrary view to that stated at paragraph 20) Should the Council be operating the port?

The Director of Operations pointed out that it was stakeholders' collective view that ownership and control should rest with the Council.

22. Other governance models should not be discounted as they could offer new opportunities for the Council.

23. The council, which was risk averse, did not have the money to invest in developing the new schemes referred to in the Maritime Plan. Contrariwise, the private sector, which could commit at different risk levels, was likely to have sufficient resources. The key objective was to achieve the best possible rate of return, and privatised management of the port was better than the Council not being able to do anything with the port.

24. *(Counter-argument to that at paragraph 23)* It was better for the public purse to derive the best possible return, rather than a private individual. Local government had a better chance than the private sector of acquiring funding, for example, by means of the EU Regional Grant fund, the National Lottery or partnership with Professional Marina Builders; although it was recognised that only the private sector would have access to funding from the Regional Grant Fund.
25. The Plan did not explain the relationship between the Port Board and the Council.
26. Would a housing development not be a viable option for the port? A number of former ports in the United Kingdom had successfully been converted into housing areas. Such a project would yield capital in the short-term and revenue in the long-term. With the right kind of housing, it could contribute towards making Thanet a more prosperous place to live.
27. It seemed that a dual governance structure could exist, with the Council retaining control of the harbour, which residents seemed “wedded to”, but with the private sector managing the port. Cabinet might consider that there was synergy between the port and harbour, but the Group could put forward the option of testing the market for privatisation of port activities or, alternatively, partnership with experienced maritime operators.

The Director of Operations expressed the view that there was more overlap in the operation of the port and harbour than might be apparent, particularly in relation to windfarm operations. Under the Public Works Loan Scheme, the Council was able to borrow at a comparatively low rate, although, on the other hand, regional grant funding was available only to the private sector.

28. In view of European funding being available to the public sector and Regional Grant Funding to the private, it seemed that a fusion of the two would yield the best leverage.
29. The draft plan did not cover the detailed considerations that would have to take place, following the macro decisions. Was it reasonable to form a committee for the purpose of considering how macro decisions could be implemented?

The Director of Operations said that it would be a function of the Port Board to look at specific decisions.

At the conclusion of the discussion, it was recognised that views could not be passed on to the Cabinet in a collective form, particularly in relation to governance, some Members feeling that the governance as set out in the plan should be accepted and allowed to determine the strategic way forward for the port and harbour, and others being of the view that other governance options should be considered.

The Group was unable to wholeheartedly support the Consultants’ report as a plan.

In view of the Group not being able to make collective recommendations to Cabinet, it was proposed by Councillor Gideon, seconded by Councillor Campbell and **AGREED:**

THAT the Group notes the Consultants’ report and asks Cabinet to consider the different views of Group Members as recorded in these minutes.

Meeting concluded : 3.55 pm

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